

24 JUL 1975

MEMORANDUM FOR: Comptroller

SUBJECT : Annual Report for PFIAB

1. In response to your request for information on significant DDI activity not covered in the recent Program submission, I am reporting the progress we have made with respect to the DCI's Objective #6 for the Intelligence Directorate. This Objective requires the DDI to provide the Director with "advice and guidance on longer term trends and developments that may affect intelligence production and for which special management attention will be required." Last month, two meetings of the DDI Executive Council focused exclusively on this Objective and each office or staff Director presented an assessment of long term trends as seen from his component. These responses are currently being drawn together by the DDI Management Staff in a discussion paper which will be the basis for a weekend conference of the DDI Executive Council, tentatively scheduled to be held at [ ] on 12-13 September. To aid in the preparation of your report to PFIAB on significant Intelligence Directorate activity, I offer the following preliminary comments on long range trends in intelligence production that have surfaced in these special meetings of our Executive Council.

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2. The discussions on DCI Objective #6 have resulted in the identification of at least three major areas of concern on the part of senior officials of the Intelligence Directorate about developments affecting future intelligence production. These are: (a) the form and substance of Directorate products and the demands of their consumers; (b) the increasing involvement of the Directorate with new analytical methodologies and automated information-handling systems; and (c) the availability of resources to meet the increasing demands for our Directorate products and services. The principal elements of concern in each of these areas is presented below.

a. DDI Products and Consumers. Our senior managers foresee an increasing demand for Directorate products, especially on topics which have not traditionally been considered within the purview of the foreign intelligence agencies of the US Government. These include economics, agriculture, energy, trade negotiations and the like. At the same time, Directorate managers are also giving increased emphasis to the production of integrated reporting on major intelligence problems and problem areas. For example, we have established on an experimental basis interdisciplinary teams of analysts from the various offices to bring economic, political, geographic, biographic, and military analysis into a relationship that will result in a finished intelligence product that is more meaningful and fully useful to our customers.

With respect to the "public" served by this Directorate, there is considerable concern among office/staff directors about the growing interest of Congress in receiving evaluated intelligence. The emergence of Congress as a major customer for intelligence reporting and analysis is likely to put the Agency in the awkward, possibly unconstitutional, position of having to serve two masters and becoming the data base on foreign developments for both Congress and the Executive Branch in their disputes over foreign policy. In addition to this fundamental problem, the understandable desire of the Congress to receive Directorate products will cause significant technical difficulties with respect to the dissemination and accountability for classified publications.

b. Methodologies and Automation. Most office chiefs expect their organizations to become increasingly involved with new analytical techniques and automated information-handling systems. They believe that these advanced methods and machines will have an impact on hiring practices and require substantial retraining of Directorate personnel. The effort to adopt new analytical techniques has now spread broadly and deeply throughout the Directorate. It is apparent that some of the new analytical methods are bearing fruit, but measurement of progress in this field remains difficult.

On advanced data-handling systems, there is general agreement that they are necessary to the present work of the Directorate and vital if the Intelligence Directorate is to keep pace with the demands being placed upon it with increasing frequency. The automation development with the most profound implications for all Intelligence Directorate components is Project SAFE. Opinions differ from office to office about what those implications are likely to be. Commitment to SAFE is general, though some chiefs are worried about its impact on the Directorate's budget and the availability of trained personnel. There is broad agreement that computers usually permit improvements in the speed and scope of intelligence analysis but seldom produce dollar savings.

c. Resources. The senior managers in the Directorate share a perception that the Agency was on a downhill course with respect to resource allocations well before the current series of official inquiries into CIA activity got underway. They find it difficult to know what the eventual impact of these investigations will be, but do not assume that the Agency's share of the Executive Department's funds and positions is going to increase. It is possible, however, that other Directorates will be cut back more sharply than this Directorate in coming years. Even so, most office chiefs are not sanguine about the chances of receiving sufficient resources to meet the increasing demand for their products. They believe that in these circumstances, offices will have to become more selective about what they do, more concerned with setting priorities, and more willing to say no to what are presently legitimate requests for products and services.

Among a broad range of individual concerns about resources, some of the more prominent include:

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(3) the critical need for office space in Headquarters that apparently can be solved only at the expense of the other directorates.

All of these resource problems point to the need for closer supervision of our available assets both within the offices and at the Directorate level. Husbanding of what we have and better forecasting of what we need will be even more important to the Directorate in the next five years than they have been in the past.



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for Intelligence

C/DDI Management Staff [redacted] (24 July 75)

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